

March 20, 2015

Finance Committee United States Senate

Re: Individual Income Tax; American Overseas – Input to Senate Finance Committee

Ladies and Gentlemen,

Thank you very much for your solicitation of input from Americans on issues in individual taxation. I write to you as a US citizen who has resided in Germany for more than 50 years.

There are two issues that are critical to me as an American residing overseas:

- Repeal of FATCA (Foreign Account Tax Compliance Act)
- Residence-based Taxation

I would like you to understand why I feel FATCA and citizen-based taxation is so offensive and contrary to the foundation of the USA: the fifteen years I lived in the United States most of my relatives, friends and neighbors were either immigrants or children and grandchildren of immigrants who came to the US for a better life. None of these immigrants to America had to file tax returns for the rest of their lives to the nations they left nor did the countries they left tax their retirement income, their children's education savings accounts, property and that of their US spouses, etc. Yet that is exactly what the USA does to its citizens who have emigrated to another country.

To add insult to injury, I strongly suspect the total numbers of renunciations reported last year are incorrect, as friends and I have come up with higher numbers and the waiting lists at individual consulates are up to 3 months. If this is true, the full-blown reality of the consequences of FATCA is being covered up, which is scandalous. We are following a path of investigation.

It is also scandalous that in face of a surge of renunciations due to the enactment of FATCA, the US office of Secretary of State saw a good source of revenue – how cynical! --, and jacked up the price to expatriate 422% - from \$450 to \$2,350.

US expats are mostly middle-class citizens and retirees who are paying taxes in the country where they earn their living or from the years of their own

labor or that of their spouses in the country where they lived and paid taxes their whole lives. What right has the US government to that money?

Please read this unbiased, academic report in the Houston Law Review on the sad consequences of FATCA, which was written almost a year ago but all the points made have unfortunately materialized. It should be required reading for every committee member. ***Goodbye, Uncle Sam? How the Foreign Account Tax Compliance Act is Causing a Drastic Increase in the Number of Americans Renouncing their Citizenship***

<http://www.houstonlawreview.org/wp-content/uploads/2015/03/2-Denson.pdf>

Are both young and old expats being punished because they moved away from US to earn a decent living? We cost you absolutely nothing so why do you want to make life so difficult for us? In the witch hunt for US tax cheats you seem to not care about the collateral damage to the average wage earner, their families and retirees abroad. The irony in this debate is that the real cheats that you are looking for never even lived abroad!

Like most US citizens abroad, I love the United States and am saddened that the US has made it impossible for many to retain their citizenship due to oppressive expat tax policies.

Sincerely,

Marina Mecl
Munich, Germany